



BILLING CODE: 3510-DS-P

## DEPARTMENT OF COMMERCE

### International Trade Administration

A-570-040

### Truck and Bus Tires from the People's Republic of China: Initiation of Antidumping Duty Investigation

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

DATES: Effective: February 18, 2016

FOR FURTHER INFORMATION CONTACT: Yang Jin Chun or Andre Gziryan, AD/CVD

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### SUPPLEMENTAL INFORMATION

#### The Petition

On January 29, 2016, the Department of Commerce (the Department) received an antidumping duty (AD) petition concerning imports of truck and bus tires from the People's Republic of China (the PRC) officially filed in proper form on behalf of the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO, CLC (USW or the petitioner).<sup>1</sup> The AD petition was accompanied by a countervailing duty (CVD) petition concerning imports of truck and bus tires from the PRC. The petitioner is a recognized union, which represents the domestic industry engaged in the manufacture of truck and bus tires in the United States. On February 3, 2016, the

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<sup>1</sup> See "Petition for the Imposition of Antidumping Duties on Imports of Truck and Bus Tires from the People's Republic of China" dated January 29, 2016 (the Petition).

Department requested additional information and clarification of certain areas of the Petition<sup>2</sup> and on February 5, 2016, the petitioner filed supplements to the Petition.<sup>3</sup>

In accordance with section 732(b) of the Tariff Act of 1930, as amended (the Act), the petitioner alleges that imports of truck and bus tires from the PRC are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Act, and that such imports are materially injuring, or threatening material injury to, an industry in the United States. Also, consistent with section 732(b)(1) of the Act, the Petition is accompanied by information reasonably available to the petitioner in support of its allegations.

The Department finds that the petitioner filed the petition on behalf of the domestic industry because the petitioner is an interested party as defined in section 771(9)(D) of the Act, and has demonstrated sufficient industry support with respect to the initiation of the AD investigation that it is requesting.<sup>4</sup>

#### Period of Investigation

Because the petition was filed on January 29, 2016, the period of investigation (POI) is July 1, 2015, through December 31, 2015.<sup>5</sup>

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<sup>2</sup> See Letters to the petitioner, “Petition for the Imposition of Antidumping and Countervailing Duties on Imports of Truck and Bus Tires from the People’s Republic of China: Supplemental Questions” dated February 3, 2016 (General Issues Supplemental Questions) and “Petition for the Imposition of Antidumping Duties on Imports of Truck and Bus Tires from the People’s Republic of China: Supplemental Questions” dated February 3, 2016 (AD Supplemental Questions).

<sup>3</sup> See Letter from the petitioner “Petitioner’s Response to the Department’s February 3, 2016 Supplemental Questions Regarding the Antidumping Petition on China (A-570-040)” dated February 5, 2016 (AD Supplement); *see also* “Petitioner’s Response to the Department’s February 3, 2016 Supplemental Questions Regarding General Issues” dated February 5, 2016 (General Issues Supplement).

<sup>4</sup> See “Determination of Industry Support for the Petition” section, below.

<sup>5</sup> See 19 CFR 351.204(b)(1).

## Scope of the Investigation

The product covered by this investigation is truck and bus tires from the PRC. For a full description of the scope of the investigation, *see* the “Scope of the Investigation” at the Appendix of this notice.

## Comments on the Scope of the Investigation

During our review of the petition, we issued questions to, and received responses from, the petitioner pertaining to the proposed scope in order to ensure that the language of the scope is an accurate reflection of the products for which the domestic industry is seeking relief.<sup>6</sup> As discussed in the Preamble to our regulations, we are setting aside a period for interested parties to raise issues regarding product coverage (scope).<sup>7</sup> The period for scope comments is intended to provide the Department with ample opportunity to consider all comments and to consult with parties prior to the issuance of the preliminary determination. If scope comments include factual information,<sup>8</sup> all such factual information should be limited to public information. All such comments must be filed no later than 5:00 p.m. Eastern Time (ET) on Wednesday, March 9, 2016, which is 20 calendar days from the signature date of this notice. Any rebuttal comments, which may include factual information, must be filed no later than 5:00 p.m. ET on Monday, March 21, 2016, because 10 calendar days after the initial comments falls on Saturday, March 19, 2016.<sup>9</sup> The Department requests that any factual information the parties consider relevant to the scope of the investigation be submitted during this time period. However, if a party subsequently finds that additional factual information pertaining to the scope of the investigation

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<sup>6</sup> *See* General Issues Supplemental Questionnaire; *see also* General Issues Supplement at 2 and Exhibit I-SQ-1, and the memorandum to the File entitled “Phone Call with Counsel to the Petitioner” dated February 12, 2016.

<sup>7</sup> *See Antidumping Duties; Countervailing Duties (Final Rule)*; 62 FR 27296, 27323 (May 19, 1997).

<sup>8</sup> *See* 19 CFR 351.102(b)(21).

<sup>9</sup> *See* 19 CFR 351.303(b)(1) (“For both electronically filed and manually filed documents, if the applicable due date falls on a non-business day, the Secretary will accept documents that are filed on the next business day.”)

may be relevant, the party may contact the Department and request permission to submit the additional information. All such comments must be filed on the records of the AD investigation, as well as the concurrent CVD investigation.

#### Filing Requirements

All submissions to the Department must be filed electronically using Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). An electronically filed document must be received successfully in its entirety no later than 5:00 p.m. ET on the date specified by the Department. Documents excepted from the electronic submission requirements must be filed manually (*i.e.*, in paper form) with Enforcement and Compliance's APO/Dockets Unit, Room 18022, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230, and stamped with the date and time of receipt by the applicable deadline.<sup>10</sup>

#### Comments on the Product Characteristics for the AD Questionnaire

The Department requests comments from interested parties regarding the appropriate physical characteristics of truck and bus tires to be reported in response to the Department's AD questionnaire. This information will be used to identify the key physical characteristics of the subject merchandise in order to report the relevant factors of production accurately, as well as to develop appropriate product-comparison criteria.

Interested parties may provide any information or comments that they believe are relevant to the development of an accurate list of physical characteristics. Specifically,

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<sup>10</sup> See 19 CFR 351.303(b); *see also* *Antidumping and Countervailing Duty Proceedings: Electronic Filing Procedures; Administrative Protective Order Procedures*, 76 FR 39263 (July 6, 2011), as amended in *Enforcement and Compliance: Change of Electronic Filing System Name*, 79 FR 69046 (November 20, 2014), for details of the Department's electronic filing requirements, which went into effect on August 5, 2011. Information on help using ACCESS can be found at <https://access.trade.gov/help.aspx> and a handbook can be found at <https://access.trade.gov/help/Handbook%20on%20Electronic%20Filing%20Procedures.pdf>.

interested parties may provide comments as to which characteristics are appropriate to use as: 1) general product characteristics and 2) product-comparison criteria. It is not always appropriate to use all product characteristics as product-comparison criteria. We base product-comparison criteria on meaningful commercial differences among products. In other words, while there may be some physical product characteristics manufacturers used to describe truck and bus tires, it may be that only a select few product characteristics take into account commercially meaningful physical characteristics. In addition, interested parties may comment on the order in which the physical characteristics should be used in matching products. Generally, the Department attempts to list the most important physical characteristics first and the least important characteristics last.

In order to consider the suggestions of interested parties in developing and issuing the AD questionnaire, we must receive comments on product characteristics no later than March 9, 2016. Rebuttal comments must be received no later than March 16, 2016. All comments and submissions to the Department must be filed electronically using ACCESS, as explained above.

#### Determination of Industry Support for the Petition

Section 732(b)(1) of the Act requires that a petition be filed on behalf of the domestic industry. Section 732(c)(4)(A) of the Act provides that a petition meets this requirement if the domestic producers or workers who support the petition account for: (i) at least 25 percent of the total production of the domestic like product; and (ii) more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the petition. Moreover, section 732(c)(4)(D) of the Act provides that, if the petition does not establish support of domestic producers or workers accounting for more than 50 percent of the total production of the domestic like product, the Department shall: (i) poll the

industry or rely on other information in order to determine if there is support for the petition, as required by subparagraph (A); or (ii) determine industry support using a statistically valid sampling method to poll the “industry.”

Section 771(4)(A) of the Act defines the “industry” as the producers as a whole of a domestic like product. Thus, to determine whether a petition has the requisite industry support, the statute directs the Department to look to producers and workers who produce the domestic like product. The International Trade Commission (ITC), which is responsible for determining whether “the domestic industry” has been injured, must also determine what constitutes a domestic like product in order to define the industry. While both the Department and the ITC must apply the same statutory definition regarding the domestic like product,<sup>11</sup> they do so for different purposes and pursuant to a separate and distinct authority. In addition, the Department’s determination is subject to limitations of time and information. Although this may result in different definitions of the like product, such differences do not render the decision of either agency contrary to law.<sup>12</sup>

Section 771(10) of the Act defines the domestic like product as “a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this title.” Thus, the reference point from which the domestic like product analysis begins is “the article subject to an investigation” (*i.e.*, the class or kind of merchandise to be investigated, which normally will be the scope as defined in the Petition).

With regard to the domestic like product, the petitioner does not offer a definition of the domestic like product distinct from the scope of the investigation. Based on our analysis of the information submitted on the record, we have determined that truck and bus tires constitute a

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<sup>11</sup> See section 771(10) of the Act.

<sup>12</sup> See *USEC, Inc. v. United States*, 132 F. Supp. 2d 1, 8 (CIT 2001) (citing *Algoma Steel Corp., Ltd. v. United States*, 688 F. Supp. 639, 644 (CIT 1988), *aff’d* 865 F.2d 240 (Fed. Cir. 1989)).

single domestic like product and we have analyzed industry support in terms of that domestic like product.<sup>13</sup>

In determining whether the petitioner has standing under section 732(c)(4)(A) of the Act, we considered the industry support data contained in the Petition with reference to the domestic like product as defined in the “Scope of the Investigation,” in the Appendix of this notice. To establish industry support, the petitioner estimated the 2015 production for each U.S. producer of truck and bus tires, by plant. The petitioner based its estimates of 2015 off truck and bus tire production by plant on daily plant-specific production capacity data published in *Modern Tire Dealer*. The petitioner multiplied the daily production capacity data by 360 (to estimate annual capacity). The petitioner estimated 2015 truck and bus tire production in the United States using data on U.S. shipments, imports, and exports of truck and bus tires in 2015. To calculate a capacity utilization rate for the U.S. truck and bus tire industry in 2015, the petitioner compared estimated U.S. production of truck and bus tires in 2015 to the 2015 U.S. capacity to produce truck and bus tires. To calculate total 2015 production of the domestic like product by the petitioning plants, the petitioner applied the estimated capacity utilization rate to the total annualized capacity of those plants represented by the USW. In order to provide a conservative calculation of total 2015 production of the domestic like product by the U.S. truck and bus tire industry, the petitioner assumed that all non-petitioning truck and bus tire plants (*i.e.*, those not represented by the USW) operated at full capacity in 2015 and added the full production capacity of the non-petitioning plants to the estimated 2015 production of the plants represented by the

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<sup>13</sup> For a discussion of the domestic like product analysis in this case, *see* Antidumping Duty Investigation Initiation Checklist: Truck and Bus Tires from the People’s Republic of China (AD Initiation Checklist), at Attachment II, Analysis of Industry Support for the Antidumping and Countervailing Duty Petitions Covering Truck and Bus Tires from the People’s Republic of China (Attachment II). This checklist is dated concurrently with this notice and on file electronically via ACCESS. Access to documents filed via ACCESS is also available in the Central Records Unit, Room B8024 of the main Department of Commerce building.

USW. To calculate industry support, the petitioner divided the estimated 2015 production of the domestic like product for those plants represented by the USW by the estimated production of the domestic like product in 2015 for the entire U.S. truck and bus tires industry.<sup>14</sup> We relied on data the petitioner provided for purposes of measuring industry support.<sup>15</sup>

Our review of the data provided in the Petition, General Issues Supplement, and other information readily available to the Department indicates that the petitioner has established industry support.<sup>16</sup> First, the Petition established support from workers accounting for more than 50 percent of the total production of the domestic like product and, as such, the Department is not required to take further action in order to evaluate industry support (*e.g.*, polling).<sup>17</sup> Second, the workers have met the statutory criteria for industry support under section 732(c)(4)(A)(i) of the Act because the workers who support the Petition account for at least 25 percent of the total production of the domestic like product.<sup>18</sup> Finally, the workers have met the statutory criteria for industry support under section 732(c)(4)(A)(ii) of the Act because the workers who support the Petition account for more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the Petition.<sup>19</sup> Accordingly, the Department determines that the Petition was filed on behalf of the domestic industry within the meaning of section 732(b)(1) of the Act.

The Department finds that the petitioner filed the Petition on behalf of the domestic industry because it is an interested party as defined in section 771(9)(D) of the Act and it has

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<sup>14</sup> See Volume I of the Petition, at I-6 – I-8 and Exhibits I-1 and I-11; *see also* General Issues Supplement, at 2-9 and Exhibits I-SQ-2 – I-SQ-18.

<sup>15</sup> *Id.* For further discussion, *see* AD Initiation Checklist, at Attachment II.

<sup>16</sup> *See* AD Initiation Checklist, at Attachment II.

<sup>17</sup> *See* section 732(c)(4)(D) of the Act; *see also* AD Initiation Checklist, at Attachment II.

<sup>18</sup> *See* AD Initiation Checklist, at Attachment II.

<sup>19</sup> *Id.*



demonstrated sufficient industry support with respect to the AD investigation that it is requesting the Department initiate.<sup>20</sup>

#### Allegations and Evidence of Material Injury and Causation

The petitioner alleges that the U.S. industry producing the domestic like product is being materially injured, or is threatened with material injury, by reason of the imports of the subject merchandise sold at less than normal value (NV). In addition, the petitioner alleges that subject imports exceed the negligibility threshold provided for under section 771(24)(A) of the Act.<sup>21</sup>

The petitioner contends that the industry's injured condition is illustrated by reduced market share; underselling and price depression or suppression; decline in shipments; shift in the domestic industry's sales from the U.S. market to lower priced export markets; potential declines in capacity utilization, employment, and profitability; lost sales and revenues; and adverse impact on union contract negotiations.<sup>22</sup> We assessed the allegations and supporting evidence regarding material injury, threat of material injury, and causation, and we determined that these allegations are properly supported by adequate evidence and meet the statutory requirements for initiation.<sup>23</sup>

#### Allegation of Sales at Less Than Fair Value

The following is a description of the allegation of sales at less than fair value upon which the Department based its decision to initiate an investigation of imports of truck and bus tires from the PRC. The sources of data for the deductions and adjustments relating to U.S. price and NV are discussed in greater detail in the AD Initiation Checklist.

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<sup>20</sup> *Id.*

<sup>21</sup> See Volume I of the Petition, at I-15 and Exhibit I-17.

<sup>22</sup> See Volume I of the Petition, at I-12, I-15 through I-32 and Exhibits I-2, I-10, I-17 through I-30.

<sup>23</sup> See AD Initiation Checklist at Attachment III, Analysis of Allegations and Evidence of Material Injury and Causation for the Antidumping and Countervailing Duty Petitions Covering Truck and Bus Tires from the People's Republic of China.

### Export Price

The petitioner based export price (EP) on import data obtained from the U.S. Department of Commerce's Foreign Trade Division Merchandise Imports database and the ITC Dataweb (collectively import database) for truck and bus tires. The petitioner calculated the average unit values (AUVs) per tire for U.S. imports of truck and bus tires from the PRC entered during the POI under two Harmonized Tariff Schedule of the United States (HTSUS) subheadings that cover truck and bus tires.<sup>24</sup> As the values of imports in the import database reflect customs values and therefore exclude U.S. import duties, freight, and insurance, the petitioner made adjustments to deduct unrebated value-added tax, foreign inland freight expenses, and brokerage and handling expenses at port of exportation to derive a U.S. net price.<sup>25</sup>

### Normal Value

The petitioner states that the Department has treated the PRC as a non-market economy (NME) country in every proceeding in which the PRC has been involved.<sup>26</sup> The presumption of NME status for the PRC has not been revoked by the Department and, therefore, in accordance with section 771(18)(C)(i) of the Act, remains in effect for purposes of the initiation of this investigation. Accordingly, the NV of the product for the investigation is appropriately based on factors of production (FOPs) valued in a surrogate market-economy country in accordance with section 773(c) of the Act. In the course of this investigation, all parties will have the opportunity to provide relevant information related to the issues of the PRC's NME status and granting of separate rates to individual exporters.

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<sup>24</sup> See the AD Supplement at Exhibit II-SQ-2 for the two HTSUS subheadings, 4011.20.1015: New Radial Tires, On-The-Highway, Of A Kind Used On Buses Or Trucks, Excluding Light Trucks, and 4011.20.5020: New Tires, Excluding Radials, On-The-Highway, Of A Kind Used On Buses Or Trucks, Excluding Light Trucks.

<sup>25</sup> See Volume II of the Petition at II-6 through II-9 and Exhibits II-13 and II-14; AD Supplement at Exhibit II-SQ-8; and AD Initiation Checklist.

<sup>26</sup> See Volume II of the Petition at II-2.

The petitioner contends that Thailand is the appropriate surrogate country for the PRC because: 1) it is at a level of economic development comparable to that of the PRC; 2) it is a significant producer of comparable merchandise; and 3) the data for Thailand for valuing factors of production are available and reliable.<sup>27</sup> Based on the information the petitioner provided, we conclude that it is appropriate to use Thailand as a surrogate country for initiation purposes.<sup>28</sup> After initiation of this investigation, interested parties will have the opportunity to submit comments regarding surrogate country selection and will be provided an opportunity to submit publicly available information to value FOPs within 30 days before the scheduled date of the preliminary determination.<sup>29</sup>

The petitioner calculated NV using the Department's NME methodology as required by 19 CFR 351.202(b)(7)(i)(C) and 19 CFR 351.408. As the petitioner is a union representing workers in the domestic industry producing truck and bus tires and is not a domestic producer, the petitioner contends it does not have access to the proprietary information on the FOPs necessary to make truck and bus tires. Therefore, the petitioner based NV on publicly available information regarding the standard direct materials used to manufacture truck and bus tires from a number of publications.<sup>30</sup> The petitioner asserts that the publicly available raw material models it provided are representative, to the best of its knowledge, of the average makeup of truck and bus tires.<sup>31</sup> Using this information, the petitioner calculated the average percentage of total tire weight represented by direct materials for truck and bus tires. The information regarding the percentages of direct materials used to make a subject tire were applied to the average tire weight

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<sup>27</sup> *Id.* at II-2 through II-6 and Exhibits II-1 through II-4; AD Supplement at Exhibit II-SQ-1.

<sup>28</sup> See AD Initiation Checklist.

<sup>29</sup> See 19 CFR 351.301(c)(3)(i).

<sup>30</sup> See Volume II of the Petition at II-9 through II-15 and Exhibits II-5, II-9, II-10, II-16, II-19 through II-24, II-28; see also AD Supplement at Exhibits II-SQ-3 and II-SQ-8.

<sup>31</sup> *Id.*

for each of the two HTSUS categories of truck and bus tires obtained from the imports database to calculate the average amount of each direct material used in the manufacture of the subject merchandise.<sup>32</sup>

The petitioner valued the FOPs for direct materials (except natural rubber) using reasonably available, public surrogate country data, specifically, Thai import data from the Global Trade Atlas (GTA) for the period July through December 2015.<sup>33</sup> The petitioner excluded from these GTA import statistics imports from countries previously determined by the Department to be NME countries, countries previously determined by the Department to maintain broadly available, non-industry-specific export subsidies, and, in accordance with the Department's practice, any imports that were labeled as originating from an "unspecified" country.<sup>34</sup> The petitioner valued natural rubber using information from the Rubber Research Institute of Thailand.<sup>35</sup> The Department determines that the surrogate values used by the petitioner are reasonably available and, thus, are acceptable for purposes of initiation.

The petitioner calculated the average labor hours required to make one tire using the employment and production information from the financial statements of three PRC tire manufacturers (GITI Tire, Doublestar Tyre, and Guizhou Tyre Co., Ltd.).<sup>36</sup> The petitioner then used the weight-averaged amount of the three labor rates to determine an overall average of labor hours required to make one subject tire. The petitioner calculated the average hourly labor rate

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<sup>32</sup> *Id.*

<sup>33</sup> See Volume II of the Petition at II-10 through II-16; *see also* AD Supplement at 3 and Exhibits II-SQ-3 and II-SQ-8.

<sup>34</sup> See Volume II of the Petition at II-13; *see also* AD Supplement at Exhibit II-SQ-3.

<sup>35</sup> See Volume II of the Petition at II-14 and Exhibit II-29; *see also* AD Supplement at Exhibit II-SQ-8.

<sup>36</sup> See Volume II of the Petition at II-16 through II-18 and Exhibits II-30 through II-33; *see also* AD Supplement at 3-6 and Exhibit II-SQ-5 and II-SQ-6.

for an employee producing tires using the wage rate for manufacturers in Thai National Statistics Office's Labor Force Survey for the third quarter of 2015.<sup>37</sup>

The petitioner calculated financial ratios (*i.e.*, factory overhead expenses, selling, general, and administrative expenses, and profit) based on the 2014 year-end financial statements of Goodyear (Thailand) Public Company Limited and the 2013 year-end financial statements of Hihero Co., Ltd.<sup>38</sup> The petitioner included the energy costs in the factory overhead expenses because it was unable to obtain publicly available information on the energy costs.<sup>39</sup> Information the petitioner provided indicate that both Thai companies are producers of truck and bus tires.<sup>40</sup>

#### Fair Value Comparisons

Based on the data the petitioner provided, there is reason to believe that imports of truck and bus tires from the PRC are being, or are likely to be, sold in the United States at less than fair value. Based on the comparison of net U.S. price to NV for the same or similar truck and bus tires in accordance with section 773(c) of the Act, the petitioner's estimated margins for truck and bus tires are 19.91 percent and 22.57 percent.<sup>41</sup>

#### Initiation of Less Than Fair Value Investigation

Based on our examination of the petition on truck and bus tires from the PRC, the Department finds that the petition meets the requirements of section 732 of the Act. Therefore, we are initiating an AD investigation to determine whether imports of truck and bus tires from the PRC are being, or likely to be, sold in the United States at less than fair value. In accordance

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<sup>37</sup> See Volume II of the Petition at II-16 through II-18 and Exhibits II-30 through II-33; *see also* AD Supplement at 3-6 and Exhibits II-SQ-5 and II-SQ-6.

<sup>38</sup> See Volume II of the Petition at II-19 and II--20 and Exhibits II-34 and II-36; *see also* AD Supplement at 6.

<sup>39</sup> See Volume II of the Petition at II-19.

<sup>40</sup> *Id.* at II-15 and II-16 and Exhibit II-16.

<sup>41</sup> See AD Supplement at Exhibit II-SQ-8.

with section 733(b)(1)(A) of the Act and 19 CFR 351.205(b)(1), unless postponed, we will make our preliminary determination no later than 140 days after the date of this initiation. For a discussion of evidence supporting our initiation determination, *see* the AD Initiation Checklist dated concurrently with this notice.

On June 29, 2015, the President of the United States signed into law the Trade Preferences Extension Act of 2015, which made numerous amendments to the AD and CVD law.<sup>42</sup> The 2015 law does not specify dates of application for those amendments. On August 6, 2015, the Department published an interpretative rule, in which it announced the applicability dates for each amendment to the Act, except for amendments contained in section 771(7) of the Act, which relate to determinations of material injury by the ITC.<sup>43</sup> The amendments to sections 771(15), 773, 776, and 782 of the Act are applicable to all determinations made on or after August 6, 2015, and, therefore, apply to this AD investigation.<sup>44</sup>

#### Respondent Selection

In accordance with our standard practice for respondent selection in AD investigations involving NME countries, we intend to issue quantity and value questionnaires to producers/exporters of merchandise subject to this investigation<sup>45</sup> and base respondent selection on the responses received. In addition, the Department will post the quantity and value questionnaire along with the filing instructions on the Enforcement and Compliance website at <http://trade.gov/enforcement/news.asp>.

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<sup>42</sup> *See* Trade Preferences Extension Act of 2015, Pub. L. No. 114-27, 129 Stat. 362 (2015).

<sup>43</sup> *See Dates of Application of Amendments to the Antidumping and Countervailing Duty Laws Made by the Trade Preferences Extension Act of 2015*, 80 FR 46793 (August 6, 2015).

<sup>44</sup> *Id.* at 46794-95. The 2015 amendments may be found at <https://www.congress.gov/bill/114th-congress/house-bill/1295/text/pl>.

<sup>45</sup> *See* Volume I of the Petition at Exhibit I-15, as amended in General Supplement Response at Exhibit I-SQ-19.

Exporters and producers of truck and bus tires from the PRC that do not receive quantity and value questionnaires via mail may still submit a response to the quantity and value questionnaire available at the Enforcement and Compliance website. The Department will establish an exact deadline by which quantity and value responses must be submitted in the questionnaire itself, as subsequently released to potential respondents and posted to the Enforcement and Compliance Web site. All quantity and value responses must be filed electronically using ACCESS.

#### Separate Rates

In order to obtain separate rate status in an NME AD investigation, exporters and producers must submit a separate rate application.<sup>46</sup> The specific requirements for submitting the separate rate application in this PRC investigation are outlined in detail in the application itself, which will be available on the Department's website at <http://trade.gov/enforcement/news.asp> on the date of publication of this initiation notice in the *Federal Register*. The separate rate application will be due 30 days after the publication of this initiation notice. Exporters and producers who submit a separate rate application and have been selected as mandatory respondents will be eligible for consideration for separate rate status only if they respond to all parts of the Department's AD questionnaires as mandatory respondents. The Department requires that respondents submit a response to both the quantity and value questionnaire and the separate rate application by their respective deadlines in order to receive consideration for separate rate status.

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<sup>46</sup> See Policy Bulletin 05.1: Separate-Rates Practice and Application of Combination Rates in Antidumping Investigation involving Non-Market Economy Countries (April 5, 2005) (Separate Rates and Combination Rates Bulletin), available on the Department's website at <http://enforcement.trade.gov/policy/>.

### Use of Combination Rates

The Department will calculate combination rates for certain respondents that are eligible for a separate rate in an NME investigation. The Separate Rates and Combination Rates Bulletin states:

{w}hile continuing the practice of assigning separate rates only to exporters, all separate rates that the Department will now assign in its NME investigations will be specific to those producers that supplied the exporter during the period of investigation. Note, however, that one rate is calculated for the exporter and all of the producers which supplied subject merchandise to it during the period of investigation. This practice applies both to mandatory respondents receiving an individually calculated separate rate as well as the pool of non-investigated firms receiving the weighted-average of the individually calculated rates. This practice is referred to as the application of “combination rates” because such rates apply to specific combinations of exporters and one or more producers. The cash-deposit rate assigned to an exporter will apply only to merchandise both exported by the firm in question *and* produced by a firm that supplied the exporter during the period of investigation.<sup>47</sup>

### Distribution of Copies of the Petition

In accordance with section 732(b)(3)(A) of the Act, and 19 CFR 351.202(f), a copy of the petition, which is publicly available in its entirety, has been provided to the Government of the PRC *via* ACCESS. To the extent practicable, we will attempt to provide a copy of the Petition to each exporter named in the Petition, as provided under 19 CFR 351.203(c)(2).

### ITC Notification

We will notify the ITC of our initiation, as required by section 732(d) of the Act.

### Preliminary Determination by the ITC

The ITC will preliminarily determine, within 45 days after the date on which the Petition was filed, whether there is a reasonable indication that imports of truck and bus tires from the PRC are materially injuring, or threatening material injury to, a U.S. industry.<sup>48</sup> A negative ITC

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<sup>47</sup> See Separate Rates and Combination Rates Bulletin at 6 (emphasis added).

<sup>48</sup> See section 733(a) of the Act.



determination will result in the investigation being terminated.<sup>49</sup> Otherwise, this investigation will proceed according to statutory and regulatory time limits.

#### Submission of Factual Information

Factual information is defined in 19 CFR 351.102(b)(21) as: (i) evidence submitted in response to questionnaires; (ii) evidence submitted in support of allegations; (iii) publicly available information to value factors under 19 CFR 351.408(c) or to measure the adequacy of remuneration under 19 CFR 351.511(a)(2); (iv) evidence placed on the record by the Department; and (v) evidence other than factual information described in (i)-(iv). Any party, when submitting factual information, must specify under which subsection of 19 CFR 351.102(b)(21) the information is being submitted<sup>50</sup> and, if the information is submitted to rebut, clarify, or correct factual information already on the record, to provide an explanation identifying the information already on the record that the factual information seeks to rebut, clarify, or correct.<sup>51</sup> Time limits for the submission of factual information are addressed in 19 CFR 351.301, which provides specific time limits based on the type of factual information being submitted. Please review the regulations prior to submitting factual information in this investigation.

#### Extension of Time Limits

Parties may request an extension of time limits before the expiration of a time limit established under 19 CFR 351, or as otherwise specified by the Secretary. In general, an extension request will be considered untimely if it is filed after the expiration of the time limit established under 19 CFR 351 expires. For submissions that are due from multiple parties simultaneously, an extension request will be considered untimely if it is filed after 10:00 a.m. ET

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<sup>49</sup> *Id.*

<sup>50</sup> *See* 19 CFR 351.301(b).

<sup>51</sup> *See* 19 CFR 351.301(b)(2).

on the due date. Under certain circumstances, we may elect to specify a different time limit by which extension requests will be considered untimely for submissions which are due from multiple parties simultaneously. In such a case, we will inform parties in the letter or memorandum setting forth the deadline (including a specified time) by which extension requests must be filed to be considered timely. An extension request must be made in a separate, stand-alone submission; under limited circumstances we will grant untimely-filed requests for the extension of time limits.<sup>52</sup>

### Certification Requirements

Any party submitting factual information in an AD or CVD proceeding must certify to the accuracy and completeness of that information.<sup>53</sup> Parties are hereby reminded that revised certification requirements are in effect for company/government officials as well as their representatives. Investigations initiated on the basis of petitions filed on or after August 16, 2013, and other segments of any AD or CVD proceedings initiated on or after August 16, 2013, should use the formats for the revised certifications provided at the end of the *Final Rule*.<sup>54</sup> The Department intends to reject factual submissions if the submitting party does not comply with the applicable revised certification requirements.

### Notification to Interested Parties

Interested parties must submit applications for disclosure under administrative protective order (APO) in accordance with 19 CFR 351.305. On January 22, 2008, the Department published *Antidumping and Countervailing Duty Proceedings: Documents Submission*

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<sup>52</sup> See 19 FR 351.302(c). See also *Extension of Time Limits; Final Rule*, 78 FR 57790 (September 20, 2013), available at <http://www.gpo.gov/fdsys/pkg/FR-2013-09-20/html/2013-22853.htm>, prior to submitting factual information in this investigation.

<sup>53</sup> See section 782(b) of the Act.

<sup>54</sup> See 19 CFR 351.303(g). See also *Certification of Factual Information To Import Administration During Antidumping and Countervailing Duty Proceedings*, 78 FR 42678 (July 17, 2013) (*Final Rule*); see also the frequently asked questions regarding the *Final Rule*, available at the following: [http://enforcement.trade.gov/tlei/notices/factual\\_info\\_final\\_rule\\_FAQ\\_07172013.pdf](http://enforcement.trade.gov/tlei/notices/factual_info_final_rule_FAQ_07172013.pdf).

*Procedures; APO Procedures*, 73 FR 3634 (January 22, 2008). Parties wishing to participate in this investigation should ensure that they meet the requirements of these procedures (*e.g.*, the filing of letters of appearance as discussed in 19 CFR 351.103(d)).

This notice is issued and published pursuant to section 777(i) of the Act and 19 CFR 351.203(c).

Dated: February 18, 2016.

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Ronald K. Lorentzen  
Acting Assistant Secretary  
for Enforcement and Compliance

## **Appendix Scope of the Investigation**

The scope of the investigation covers truck and bus tires. Truck and bus tires are new pneumatic tires, of rubber, with a truck or bus size designation. Truck and bus tires covered by this investigation may be tube-type, tubeless, radial, or non-radial.

Subject tires have, at the time of importation, the symbol “DOT” on the sidewall, certifying that the tire conforms to applicable motor vehicle safety standards. Subject tires may also have one of the following suffixes in their tire size designation, which also appear on the sidewall of the tire:

TR – Identifies tires for service on trucks or buses to differentiate them from similarly sized passenger car and light truck tires;

MH – Identifies tires for mobile homes; and

HC – Identifies a 17.5 inch rim diameter code for use on low platform trailers.

All tires with a “TR,” “MH,” or “HC” suffix in their size designations are covered by this investigation regardless of their intended use.

In addition, all tires that lack one of the above suffix markings are included in the scope, regardless of their intended use, as long as the tire is of a size that is among the numerical size designations listed in the “Truck-Bus” section of the *Tire and Rim Association Year Book*, as updated annually, unless the tire falls within one of the specific exclusions set out below.

Truck and bus tires, whether or not mounted on wheels or rims, are included in the scope. However, if a subject tire is imported mounted on a wheel or rim, only the tire is covered by the scope. Subject merchandise includes truck and bus tires produced in the subject country whether mounted on wheels or rims in the subject country or in a third country. Truck and bus tires are covered whether or not they are accompanied by other parts, *e.g.*, a wheel, rim, axle parts, bolts, nuts, etc. Truck and bus tires that enter attached to a vehicle are not covered by the scope.

Specifically excluded from the scope of this investigation are the following types of tires: (1) pneumatic tires, of rubber, that are not new, including recycled and retreaded tires; and (2) non-pneumatic tires, such as solid rubber tires.

The subject merchandise is currently classifiable under Harmonized Tariff Schedule of the United States (HTSUS) subheadings: 4011.20.1015 and 4011.20.5020. Tires meeting the scope description may also enter under the following HTSUS subheadings: 4011.99.4520, 4011.99.4590, 4011.99.8520, 4011.99.8590, 8708.70.4530, 8708.70.6030, and 8708.70.6060. While HTSUS subheadings are provided for convenience and for customs purposes, the written description of the subject merchandise is dispositive.

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